HMRC - OT26395 - Capital Allowances: Mineral Extraction Allowance - Migration To UK Residence

CAA2001\S418 & CAA2001\S419 provide for Mineral Extraction Allowances (MEA) to be made for the chargeable period relating to the incurring of the expenditure. The allowances for later chargeable periods are given in relation to the balances carried forward from the earlier chargeable period.

A company does not have a chargeable period while it is not within the UK tax legislation, so mineral extraction expenditure incurred while the company is outside the scope of Corporation Tax cannot qualify for allowances under the MEA code. The expenditure incurred prior to the migration to the UK will not therefore give rise to mineral extraction allowances.

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